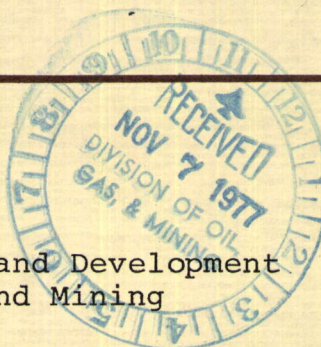


intercoast  
energy  
inc.

November 2, 1977

Ronald W. Daniels  
Coordinator of Mined Land Development  
Division of Oil, Gas and Mining  
STATE OF UTAH  
Department of Natural Resources  
1588 West North Temple  
Salt Lake City, UT 84116



555 capitol mall  
suite 1525  
sacramento, ca. 95814  
(916) 441-5430

Re: Flat Top Mine - §32, T24S, R11E  
Utah State Lease for Metalliferous  
Minerals No. 29915

Dear Mr. Daniels:

This letter is in confirmation of my conversation with you, today, and my conversation with Mr. Prince at the Division of State Lands, regarding the mining operations on the above property.

As you are aware, Michael J. Skopos has filed application with your department relating to this property. Mineral Investments, Inc., a subsidiary of Intercoast Energy, Inc., has entered into an agreement with Juanita Bodell, the lessee of the above lease, and Michael J. Skopos and related parties, the holders of the operating rights, to act as the operator of the mining activities on the property. Michael J. Skopos will be one of the parties acting on behalf of the new operating entity.

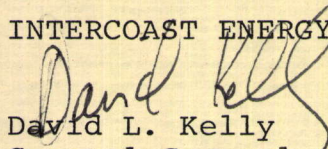
Mineral Investments, Inc., will be the principal party responsible for such operations and will be supplying the required bond to the Division of State Lands. As we further discussed, you may now publish the name of Mineral Investments, Inc., as they will now be the principal party responsible.

We appreciate you giving this your earliest attention. If there is any further information I can provide, please contact me.

Thank you for your continued cooperation.

Very truly yours,

INTERCOAST ENERGY, INC.

  
David L. Kelly  
General Counsel

DLK:jl

cc: D. G. Prince

